



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Industry and Security**  
Washington, D.C. 20230

May 17, 2006

Dear :

This correspondence responds to your letter of September 16, 2005, requesting a Bureau of Industry and Security advisory opinion on several issues, including the proper identification of the "ultimate consignee," "country of ultimate destination," and the responsibilities of parties to export transactions.

Sections 748.5(e) and 772.1 of the Export Administration Regulations (15 CFR §§ 748.5 and 772.1) define "ultimate consignee" as "the principal party in interest located abroad who receives the exported or reexported items. The ultimate consignee is not a forwarding agent or other intermediary, but may be the end-user." Example 1 in your letter sets forth the following fact pattern: Company A in the United States sells and exports a part to Company B in the United Kingdom. Company B resells and reexports the part without modification to Company C in Saudi Arabia, for use by Company C in Saudi Arabia. At the time of export from the United States, Company A knows the ultimate end user is Company C and knows the name and address of Company C. Given this fact pattern, our interpretation of Section 748.5(e) of the EAR is that the ultimate consignee is the party located in the United Kingdom. That party's buying and selling activities are indicative of a principal party in interest rather than a forwarding agent or other intermediary as described in Section 734(b)(6). Accordingly, the ultimate consignee in the United Kingdom should be listed in Box 4a of the Shipper's Export Declaration (SED).

The information to be included under "Destination" in Box 7 of the SED is governed by the Foreign Trade Statistics Regulations (15 C.F.R. Part 30), not the Export Administration Regulations (15 C.F.R. Parts 700 – 799). The Foreign Trade Statistics Regulations are administered by the Foreign Trade Division of the Bureau of the Census. We have contacted the Foreign Trade Division of the Bureau of the Census. That Division informed us that when a United States Principal Party in Interest in the United States is sending an item to the United Kingdom and at the time of the export from the United States, the U.S. principal party in interest knows that the item will be sent to Saudi Arabia, the proper destination to be listed in block 7 is Saudi Arabia. The provision of



the Foreign Trade Statistics Regulations on which that organization bases this conclusion is 15 C.F.R. § 30.7(i)(2).

You raised an additional question on page six of your letter regarding transactions you term as "domestic sales" shipped to a U.S. order party. BIS considers the type of activity you describe in this paragraph to be a "routed export transaction" (see definition in Part 772) and subject to the provisions of Section 758.3. As such, \_\_\_\_\_ is the U.S. principal party in interest (USPPI) in these transactions and remains responsible for determining licensing authority and for obtaining the proper authorization for export. Section 758.3(b) describes provisions where the USPPI can obtain a writing from the foreign principal party in interest (FPPI) wherein the FPPI and their U.S. agent assume responsibility for determining license requirements and completing the SED. These provisions are subject to the information sharing requirements of Section 758.3(c) and the power of attorney requirements of Section 758.3(d).

If you have further questions regarding the EAR, please direct them to the Regulatory Policy Division, at (202) 482-2440. For questions regarding the Foreign Trade Statistics Regulations, please contact the Bureau of the Census, Foreign Trade Statistics Division, Outreach and Education Branch at 301-763-2238.

Sincerely,

A handwritten signature in black ink, appearing to read "Eileen M. Albanese", written over a horizontal line.

Eileen M. Albanese  
Director